

EXHIBIT B - PROPOSITION 13 ELIGIBLE COSTS

Eligible Costs

Only direct project-related costs, incurred during the project performance period specified in the project budget and Grant Agreement will be eligible for reimbursement. All eligible costs must be supported by appropriate documentation. Costs incurred in advance of Grant Agreement approval are not eligible. Indirect costs are not eligible.

1. Preliminary costs - Up to 25% of the grant funds, including CEQA compliance, may be spent on preliminary project costs (e.g., construction plans, appraisals, acquisition negotiations, and direct project management, etc.) incurred after the date of the Grant Agreement.
2. Personnel or employee services - Services of the Grantee's employees directly engaged in project execution. These costs must be computed according to the Grantee's prevailing wage or salary scales, and may include fringe benefit costs such as vacations, sick leave, social security contributions, etc. that are customarily charged to the recipient's various projects. Costs charged to the project must be computed on actual time spent on a project, and supported by time and attendance records describing the work performed on the project as well as payroll records. Overtime costs may be allowed under the recipient's established policy, provided that the regular work time was devoted to the same project.

Salaries and wages claimed for employees working on state grant funded projects must not exceed the Grantee's established rates for similar positions.

3. Consultant services - The costs of consultant services necessary for the project. Consultant must be paid by the customary or established method and rate of the grantee.
4. Construction equipment - Equipment owned by the Grantee may be charged to the project for each use. Equipment use charges must be made in accordance with the Grantee's normal accounting practices. The equipment rental rates published by the California Department of Transportation may be used as a guide or local prevailing rental rates as well.

If the Grantee's equipment is used, a report or source document must describe the work performed, indicate the hours used, relate the use to the project, and be signed by the operator and supervisor.

Equipment may be leased, rented, or purchased, whichever is most economical. If equipment is purchased, its residual market value must be credited to the project costs on completion.

5. Construction supplies and materials – Supplies and materials may be purchased for a specific project or may be drawn from a central stock, providing they are claimed at a cost no higher than paid by the Grantee. When supplies and/or materials are purchased with the intention of constructing a piece of equipment, a structure or a part of a structure, the costs that are charged as supplies and materials may be capitalized according to the Grantee's normal practice or policy. If capitalized, only that cost reasonably attributable to the project may be claimed under the project.
6. Signs and interpretive aids - The cost of signs, display boards, or other minor interpretive aids relating to the project. Use of the Park and Water Bond logo is required for project signage as described in the signage guidelines. The logo can be obtained from the Agency Grants Administrator, or from the Agency Web Site at www.resources.ca.gov/bond. (See Appendix E).
7. Construction - The cost of all necessary construction activities, from site preparation (including demolition, excavation, grading, etc.) to the completion of a structure or facility.
8. Acquisition - Costs of acquiring real property are eligible and may include the purchase price of the property, appraisals, surveys, preliminary title reports, escrow fees, title insurance fees, and costs of easements.
9. Relocation costs - Relocation costs are allowable for projects that result in displacement of any person and/or business. The Grantee must comply with applicable relocation laws even if relocation costs are not claimed for reimbursement.
10. Non-capital projects - All costs directly related to the project activity.
11. Other expenditures - In addition to the major categories of expenditures, reimbursements may be made for miscellaneous costs necessary for execution of the project. Some of these costs are:
 - a. Communications (such as telephone, letters, etc.)
 - b. Premiums on hazard and liability insurance to cover personnel and/or property
 - c. Work performed by another section or department of the Grantee's agency
 - d. Transportation costs for moving equipment and/or personnel